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INVESTMENT DEVELOPMENT AND EXPORT ADVANCEMENT SUPPORT (IDEAS) PROJECT

IDEAS PROJECT YEAR I WORK PLAN
DECEMBER 28, 2010–SEPTEMBER 30, 2011

APRIL 1, 2011

APRIL 2011

This publication was produced by Booz Allen Hamilton for review by the United States Agency for International Development.

Prepared for the United States Agency for International Development
USAID Contract Number I65-C-00-11-00-102-00
Macedonia Investment Development and Export Advancement Support (IDEAS)

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LIST OF ACRONYMS

B2B	Business to Business
BEA	Business Environment Activity
CA	Contracting Authorities
CBA	Cost-Benefit Analysis
CCOM	Coordinative Committee of Ministers
CoC	Chambers of Commerce
COP	Chief of Party
COTR	Contracting Officer's Technical Representative
CRM	Customer Relationship Management
CSR	Corporate Social Responsibility
DI	Domestic Investments
DOC	Development Outreach and Communications
DPM	Deputy Prime Minister
DPMEA	Deputy Prime Minister for Economic Affairs
EIB	European Investment Bank
*ENER (EHEP)	Unique National Electronic Register of Regulations
EO	Economic Operators
EPA	Export Promotion Agencies
ESC	Economic and Social Council
FDI	Foreign Direct Investment
GoM	Government of Macedonia
GTZ CBI/Holland	German Development Cooperation Centre for the Promotion of Imports from Developing countries/ Holland
IDEAS	Investment Development and Export Advancement Support
IFC	International Finance Organization
IMEG	Inter-Ministerial Expert Group
IMF	International Monetary Fund
InvestMacedonia	Agency for Foreign Investments and Export Promotion
IP	Industrial Policy
IPA	Instrument for Pre-Accession Assistance
ISO	International Organization for Standardization
LOE	Level of Effort
MBDP	Macedonian Bank for Development Promotion
MIM	Macedonian Institute for Media
MLA	Macedonian Lawyers Association
MLSP	Ministry of Labor and Social Policy
MoE	Ministry of Economy

MoE IPCD	Industrial Policy and Competitiveness Department in the Ministry of Economy
MoTC	Ministry of Transport and Communications
MoU	Memorandum of Understanding
NCB	National Coordinating Body
NECC	National Entrepreneurship and Competitiveness Council
NLSP	National Legislative Strengthening Program
OECD	Organization for Economic Co-operation and Development
OSS	One-Stop Shop
PMP	Performance and Monitoring Plan
PPB	Public Procurement Bureau
PPD	Public Private Dialogue
PPL	Public Procurement Law
PPTC	Public Procurement Training Center
RCI	Regional Competitiveness Initiative
RIA	Regulatory Impact Assessment
SME	Small and Medium Enterprises
STTA	Short Term Technical Assistance
SWOT	Strengths, Weaknesses, Opportunities, and Threats
TIDZ	Technological Investment Development Zones
TO	Task Order
ToR	Terms of Reference
ULSG	Units of Local Self-Government
USAID	United States Agency for International Development
USAID's ADS	USAID's Automated Directives System
USG	United States Government
VAT	Value Added Tax
VPM	Vice Prime Minister
WG	Working Group
WP	Work Plan
*ZELS (ЗЕЛС)	Association of Units of Local Self-Government in Macedonia

EXECUTIVE SUMMARY

During the past 2 decades, Macedonia has implemented significant reforms aimed at developing a fully functioning market economy and at integrating the country into the global economic system. Although some aspects of the reforms, such as the trade policy liberalization and the efforts to improve the general business environment, seem to be generally successful, they have not been followed by policies that support the efficient restructuring of the commercial entities and that enable and encourage them to invest in improving their competitiveness.

Uncoordinated reforms have led to an undesirable situation—on one side, an open, liberalized, and globally and regionally integrated economy, and on the other side, a private sector that is generally unable to compete in the domestic and international markets. This situation is confirmed by the actual foreign trade performance of Macedonian industry, which is characterized by a growing trade deficit and an unfavorable export structure concentrated within only a few categories of products to which Macedonian industry adds only a small share of value.

Investments are needed to strengthen the economy of the country and to support exports. Over the past decade, Macedonia has implemented significant reforms aimed at improving the investment climate and simplifying investment procedures. In that regard, there was significant progress on the public procurement (PP) side to increase transparency and to have a positive impact on investment growth. In addition, a single window, for both importers and exporters, was created to facilitate trade across borders. However, to date the figures on annual investment influx, both domestic and foreign, are disappointing and insufficient to support sustainable growth of the Macedonian economy. On the exports side, Macedonian companies still lack the structure and know-how to seek opportunities in foreign markets, and the government only recently mandated InvestMacedonia, a new mandate to promote exports, which is a challenging task for an agency with little experience in this area.

. In addition, the private sector is still disorganized and unable to speak with one voice to the Government of Macedonia (GoM) when advocating for trade and economic policies in favor of a friendlier business environment.

The Investment Development and Export Advancement Support (IDEAS) Project aims to address these issues. The project is organized around the following four main components, which are strongly interconnected:

- Industrial Policy Component—Seeks to develop coordinated mechanisms that enable the GoM to make well-informed decisions on policies that will have a positive effect on investment and exports.
- Export Promotion Component—Works directly with the Export Promotion Agency (EPA) to strengthen its capacities.
- Public Procurement Component—Addresses legal harmonization and capacity-building geared toward national and local governments.
- Public-Private Dialogue Component—Acts as a cross-cutting theme that links the other three components and aims to develop sustainable models for productive interactions between the private and public sectors, as well as civil society, especially on matters related to export and investment promotion.

It should be noted that the component on land reform, originally included in the IDEAS Request for Proposal, and Booz Allen's response, has been temporarily removed from the Y1 Workplan, in agreement with USAID's letter dated April 27, 2011. Considering the Government of Macedonia has been proactive in reforming the legal framework for land management, and other USAID projects have provided substantial assistance to the government in terms of IT support, capacity building and legal implementation, USAID has decided to re-evaluate the relevance of IDEAS Land Component until October 2011, when the Y2 workplan will be developed.

During the first year of implementation, the IDEAS Project will launch key initiatives that will serve as the foundation in following years. Each component and its activities are described in the following sections.

Overall, the IDEAS Project in Year 1 aims to accomplish the following results:

- Increase efficiency and effectiveness of the overall process of industrial policy implementation; raise awareness among the business community and the general public on the importance of industrial policy as a comprehensive approach to supporting the competitiveness of Macedonian industry; develop and elaborate options for streamlining Foreign Direct Investment (FDI) promotion and facilitation, and establish a functional dialogue with the private sector on various industrial policy initiatives; provide for Inter-Ministerial Export Group (IMEG) cohesion and enhance the capacity of its members to launch and actively participate in future competitiveness initiatives; strengthen the process for negotiating and developing incentive packages for individual Technological Investment Development Zone (TIDZ) investors; and improve the quality of the industrial policy programs developed by the implementing institutions.
- Develop a business plan for InvestMacedonia that includes a detailed description of the business model, business processes, and financial projections; develop an Action Plan for InvestMacedonia; conduct a comprehensive legal review of authorizing legislation; perform a skills gap analysis and develop a professional development plan; develop a new cost grant scheme to support Macedonian exports; develop performance measurement indicators to monitor activities; provide training for the private sector in export promotion issues, such as training modules on market research, sales and marketing plans, and assessment of export market opportunities; and initiate business matching activities, such as trade fair attendance, B2B meetings, business forums, and online meetings.
- Produce, in cooperation with relevant stakeholders, recommendations for legislative amendments to strengthen the role of the Public Procurement Bureau (PPB) as well as to formally define the status of the Public Procurement Training Center (PPTC); improve the program and curriculum of the regular training and certification process, as well as the train-the-trainer program for training and certifying trainers in public procurement (PP); increase professionalism and transparency in PP by legally mandating training and certification in PP; achieve the minimum limit for use of e-auctions, expected to be 70 percent by 2013; and complete an assessment report of the e-procurement system and an action plan to further enhance the system and increase the public's confidence and skills in the e-procurement system developed.
- Implement activities that will attempt to set up the new structure and operations of the National Entrepreneurship and Competitiveness Council (NECC), in case there is a strong commitment from public and private sector, and establish a strong public-private dialogue (PPD) platform that includes all relevant stakeholders to jointly discuss, review, propose, and enforce policies; activate the Economic and Social Council (ESC) and help create detailed action plans to implement the national strategy; provide trainings on and raise awareness of the Regulatory Impact Assessment (RIA) mechanism and the benefits of the National Electronic Register of

Regulations (ENER) system; prepare comprehensive policy papers with and for the chambers of commerce (CoC) and present them to the GoM and the IMEG. If there are no serious commitments from all parties regarding the revival of the NECC, the IDEAS Project will reallocate the funds to more efficient PPD tools or other components within the project.

- Introduce and increase awareness of the IDEAS Project as a USAID-funded project among current and potential stakeholders, government institutions, the private sector, and the general public; enhance understanding of the IDEAS Project among the Macedonian business media by publicizing project-related articles and providing an unbiased perspective on issues raised by the private sector and the government's response to those issues; strengthen teamwork on communications and outreach within the project and the USAID Mission; and develop written materials and reports to introduce the IDEAS Project and celebrate its Year I accomplishments.

In the first year of the project, we intend to launch a series of complementary and interconnected activities that will establish the foundations for future growth in investment and export initiatives in Macedonia. The focus will be on operational implementation of the economic development policies and high-level directions driven by the GoM. Concurrently, we will focus on developing mechanisms to ensure sustainable PPD and civil society dialogue and on attaining tri-partite consensus-driven decisions for the well-being of the Macedonian economy.

The results achieved by the IDEAS Project will be measured by the Performance Measurement Plan, whose indicators and outcomes are described in detail in Section VI.

I. COMPONENT A—FOREIGN DIRECT INVESTMENT (FDI) / DOMESTIC INVESTMENT (DI) / EXPORT FACILITATION AND INVESTMENT AFTERCARE IMPROVED

THEME 1: IMPLEMENTATION OF THE NEW GOM INDUSTRIAL POLICY FOR ENHANCED INTER-MINISTERIAL COORDINATION AND STREAMLINING OF DI, FDI, AND AFTERCARE

I. Current Situation

Industrial Policy

Macedonian industry has struggled with competitiveness issues during the entire period of transition, but only recently have policymakers decided to undertake concrete action in this area. In 2009, the Government of Macedonia (GoM) adopted the Industrial Policy 2009–2020 (IP) as a general document that established the main policy directions for enhancing the competitiveness of Macedonian industry.

The IP is an umbrella document that identifies five general areas that require focused attention from the GoM to increase the competitiveness of Macedonian industry: international cooperation, research and development (R&D) and innovation, eco-friendly technologies for sustainable development, development and collaboration of small and medium enterprises (SME) through clusters and networks. Given its broad scope, the IP is implemented through a broad array of different programs that address numerous aspects of the complex issue of competitiveness and thus fall under the responsibility of different government ministries and agencies.

The complexity of the process and the involvement of many stakeholders imply that successful implementation of the IP to a great extent depends on efficient coordination. Fully recognizing this need, the IP establishes a two-level coordination mechanism, consisting of (1) the Coordinative Committee of Ministers (CCOM), chaired by the Deputy Prime Minister for Economic Affairs (DPMEA), that enables coordination at the highest ministerial level, and (2) the Inter-Ministerial Expert Group (IMEG), within which government institutions coordinate implementation on a more operations-based expert level.

It is a general impression that, although operative during the last year, CCOM and IMEG still do not completely fulfill their roles of comprehensive competitiveness mechanisms (the former met twice; the latter met five times). This situation resulted primarily because little was done to develop the organizational structure and the human capacity of IMEG or the Industrial Policy and Competitiveness Department (IPCD) in the Ministry of Economy (MoE), which acts as the CCOM and IMEG secretariat. Combined assistance efforts aimed at improving the procedural (e.g., efficient and organized work based on clear rules and roles) as well as the substantive (e.g., increased knowledge on industrial policy and competitiveness issues, capacity for preparation of high-quality programs, and ability to monitor implementation) aspects of the functioning of these two bodies will be key to establishing an efficient and sustainable process of industrial policy implementation in the years to come.

Although inter-ministerial coordination is important, it represents only one side of a successful decision-making process, especially in the area of economic matters. The second aspect of successful decision-making is efficient, competent, and well-structured dialogue with stakeholders outside the public sector, such as the business community, the civil sector, and academia. The credibility of industrial policy and its

impact on competitiveness will depend on the compatibility of the implemented initiatives with the needs and the absorption capacity of the business community as their main beneficiary. The IP recognizes the importance of PPD and identifies it as one of the main pillars of the implementing process. Although there has been progress in this area, the capacity of all relevant stakeholders to engage in a meaningful and competent dialogue is still weak and requires additional attention.

Investments

During the past several years Macedonia has invested significant resources in improving its performance in the area of domestic and foreign investments. It has implemented numerous reforms aimed at improving the general investment climate and making its investment possibilities more appealing to the investment community. Particular efforts have been made to improve the negative international perception of the country that developed during the turbulent years of transition and to promote the new opportunities available to foreign investors, such as the flat corporate and income tax rates of 10 percent, duty-free access to European and regional markets, and the attractive incentive packages offered to investors stationed in the technological investment development zones (TIDZ).

These activities have significantly improved conditions for investing in Macedonia and have stimulated the interest of many investors, but to no avail—the level of annual investments, both domestic and foreign, remains extremely low, and far from sufficient to support Macedonia's hopes for enhanced economic growth. The absence of investments results from a complex set of reasons, but most apparent are the inefficient and complicated investment procedures and the lack of clear authority and competence rules within the investment institutional setting. Although these procedural obstacles equally hamper domestic and foreign investments, they are more relevant in the context of the latter because foreign investors, faced with these obstacles, can easily turn to one of Macedonia's competitors in the region that offer similar and competitive investment conditions, a situation that Macedonia cannot afford.

Therefore, if Macedonia wants to significantly boost investment activities, it must work on two fronts: (1) to improve the general investment procedures for the benefit of both domestic and foreign investors and (2) to improve the system for facilitating foreign investments and aftercare.

2. Planned Activities

IDEAS will implement Component A, Theme 1 through a set of actions grouped around three general activities and carried out during the period April 2011–September 2011.

ACTIVITY 1–INDUSTRIAL POLICY IMPLEMENTATION SUPPORT TO THE GOM

1.1 Assess the current functioning of the system for industrial policy implementation to identify potential areas of assistance (IMEG, MoE IPCD, DPMEA).

The main objective of this activity is to understand the current system for IP implementation, identify needs, and determine areas for assistance. IDEAS will interview employees of MoE IPCD and the DPMEA Cabinet, as well as IMEG members, and will review available documents to explore the current operational practices of all entities involved in IP implementation. The assessment will provide information on the current organizational structure, current working procedures, and the roles of each institution in the process, thus enabling IDEAS to identify institutional and organizational deficiencies.

1.2 Based on the assessment, develop charter and work program for IMEG to include clear operating rules and procedures, efficient internal structure, and specific roles and responsibilities.

Based on the assistance needs determined in the assessment under 1.1, IDEAS will develop and propose for adoption by CCOM/IMEG a charter and annual work program for operation of IMEG. The charter will contain clear and detailed operating rules aimed at increasing the efficiency of the IMEG work and

improving the quality of its outputs, such as nomination of members, frequency of meetings, chairing, decision-making, establishment of program-driven working groups, and other items. The work program will represent a tentative framework of all IMEG activities for the coming year that will include regular meetings, presentations, seminars, capacity-building, and other activities.

1.3 Based on the assessment, propose actions aimed at strengthening the role and capacity of MoE IPCD to perform its responsibility related to industrial policy implementation.

By establishing two units within the IPCD—Unit for Implementation of Competitiveness Programs and Unit for Monitoring the Implementation of Industrial Policy—MoE has established a formal organizational infrastructure for IP implementation. In practice however, these two units are neither properly staffed nor sufficiently trained to perform their roles. Based on the assessment carried out under 1.1, IDEAS will identify and make recommendations that will help MoE IPCD carry out its responsibilities related to IP implementation in a more efficient and competent manner.

1.4 Review government programs implemented during the last 3 years with an objective to contribute to enhancing the competitiveness of Macedonian industry, including information on the specific measures, allocated amounts, and percentage of actual implementation.

Review and analysis of past programs will provide useful information on the efforts that the GoM has made so far in supporting the competitiveness of Macedonian industry, such as the types of measures, amounts of support, percentage of funding actually used, and other metrics. Determining the total amount of public money spent through competitiveness programs within the past 3 years will provide an estimate of the actual amount of support provided to the industry and also provide a basis for comparisons with the support made available to other sectors of the economy. The information gathered through this exercise will serve as a crucial argument in advocating for the necessary future increases in the amounts allocated for IP implementation.

1.5 Organize specialized workshop for developing a consistent approach to the process of developing programs for implementation of IP. As part of the training, develop a mid-term action plan for IP implementation.

The IP is implemented by numerous programs prepared by different institutions. Currently, this patchwork of programs is dissonant; that is, they are often not mutually compliant and all of them lack the necessary implementing mechanisms, such as clear and realistic deadlines, measurable results, monitoring authority, or reporting requirements. IDEAS will organize a specialized training to strengthen the capacity of IMEG, MoE IPCD, and the DPMEA Cabinet to prepare and monitor industrial policy programs. The training will be organized around several existing competitiveness programs, which will enable participants to learn by identifying concrete deficiencies and proposing improvements. Ultimately, the objective is to develop and market standard-format, program-specific action plans that include (a) cost-benefit analysis; (b) program budget; (c) implementation timeline; (d) program work flow specifications; (f) definition of implementation roles and responsibilities; and (g) relevant performance metrics.

As a practical part of workshop activities, participants will be expected to develop an action plan for IP implementation for the next mid-term period (2–3 years).

1.6 Assist IMEG, MoE IPCD and DPMEA Cabinet to establish a framework for monitoring the industrial policy implementation.

As a comprehensive strategic document, the IP must have a framework for monitoring and evaluating its implementation. Such a framework was not developed concurrently with drafting of the IP, which makes it difficult to monitor IP implementation efforts. IDEAS will assist MoE IPCD in developing a viable framework for monitoring and evaluating IP implementation that will enable it to accurately follow

implementation activities, identify challenges, and measure their impact against a predetermined set of realistic and relevant indicators.

1.7 Organize specialized training for IMEG, MoE IPCD, and DPMEA Cabinet to build team cohesion, increase awareness on the importance of industrial policy, and develop basic public outreach skills.

Only recently established, IMEG members are as yet unaware of the importance of the group's coordination and integration role and do not fully appreciate the importance and the role of competitiveness policies for Macedonian industry. Because improvements along these lines can significantly contribute to the quality of IMEG work, IDEAS will organize combined training sessions aimed at strengthening cohesion among IMEG members, increasing their knowledge on IP, and improving their skills to communicate and convey information to stakeholders and the public.

1.8 Identify the functionalities and draft the technical specifications for a single online location that will offer systematized information on all industrial policy programs in a transparent and friendly manner.

To date, government assistance provided to Macedonian industry to support its competitiveness has been modest, and also has been made available to the final recipients in procedures characterized with low visibility. Because the number of programs and the amounts of support allocated for this purpose are expected to grow over the years, it is crucial to improve the system for informing potential recipients (i.e., Macedonian companies) of the types of assistance available under various competitiveness programs and of the conditions for allocation of specific benefits. Along these lines, IDEAS will initiate and support development of a separate web location that will enable the business sector to access all information related to IP implementation in one place, such as programs, relevant calls for distribution of funds, application forms, reports on disbursed assistance, and other information. The information will be organized and offered to users in a user-friendly manner.

When implementing this work plan, IDEAS will identify the functionalities for and draft the technical specifications for the web solution. In Year 2, the system will be fully developed and promoted to increase the awareness of companies about the IP and the incentives offered therein.

1.9 Promote the industrial policy in relevant economic printed and electronic media.

The IP introduces a new concept for strategically addressing the issue of competitiveness of domestic industry. The comprehensive approach that requires coordinated and concerted policies in many relevant areas is a novelty for Macedonian companies and the general public. IDEAS will use all available public outreach channels to increase awareness of the IP among various categories of society. The main focus will be on prominent economic media, such as the *BIZNIS* daily newspaper and *Kapital* daily and weekly, as well as on targeted programs broadcast on electronic media.

1.10 Coordinate and leverage IDEAS industrial policy work with activities of other donors in this area (e.g., EU, World Bank). Particularly, follow and coordinate with the EU assistance efforts envisaged to start in 2012.

IDEAS will, in general, make significant efforts to coordinate and leverage its activities with other donors. At this time, it is especially important to closely follow the preparations for the launch of the new Instrument for Pre-Accession Assistance (IPA) Program, called Capacity Building of Institutions Involved in Implementation of the Industrial Policy. The program terms of reference (ToR) is drafted and the program is expected to start in mid-2012. IDEAS will collaborate directly with the consultants drafting the ToR to ensure that USAID and European Union (EU) efforts for support to IP implementation are fully harmonized and compatible.

ACTIVITY 2-DEVELOP A NEW SYSTEM FOR INVESTMENT PROMOTION, FACILITATION, AND AFTERCARE

2.1 Actively participate in the process of planning the one-stop-shop for investment licenses and permits by providing advice to the working group established by DPMEA for this purpose and closely collaborating with the EU advisors assigned to design the OSS concept.

To improve the environment for foreign and domestic investments, the DPMEA has launched an initiative to develop a one-stop shop (OSS) for business licenses and permits. DPMEA has been awarded EU assistance under IPA 2009 that will produce detailed mapping of all licensing processes and will design the organizational and IT concept of the OSS. The work of the EU consultants is expected to start in spring 2011 and to be completed by the end of 2011.

On request by DPMEA, IDEAS has agreed to support implementation of the OSS. Although development of the OSS likely will start at the beginning of 2012, IDEAS will be included in all OSS-related activities that will take place in 2011. In this regard, the IDEAS advisor was invited to join the OSS working group that will begin meeting in April 2011 and to actively participate in its work.

2.2 Conduct a comprehensive baseline assessment of the current system for foreign investment facilitation and aftercare.

The main objective of this activity will be to determine the current institutional and legal state of play in the area of foreign investment promotion, facilitation, and aftercare. IDEAS will collect information for the assessment by reviewing applicable legislation and relevant organizational statutes; interviewing a wide range of stakeholders, including institutions in charge of various stages of the investing process, the investing community, and USAID projects active in the area of competitiveness; and by analyzing available information on failed investments. The assessment is expected to identify areas of overlap, detect inefficiencies and inconsistencies, and pinpoint needs for intervention.

2.3 Research and document international best practices for foreign investment and aftercare facilitation

In parallel with assessing the current situation of investment facilitation in Macedonia, IDEAS will seek to identify and document experiences in other countries that have successfully established and are operating efficient client-oriented investment promotion systems. Countries included in the research will be selected based on factors such as size, level of development, geographic location, and comparative investment advantages.

2.4 Develop design options to be presented to GoM (DPMEA, CCOM) for decision and approval.

Based on the baseline assessment and on international best practices, IDEAS will design options for streamlining the system for FDI promotion, facilitation, and aftercare that will include identifying the most optimal structure and solutions given the specific characteristics of the Macedonian institutional setting and the country's needs.

The options will be presented to relevant high-level policymakers during the last quarter of 2011, along with arguments for a competent discussion and informed decision-making. After a clear decision is made with regard to the model for reforming the system for FDI facilitation and aftercare, in Year 2 IDEAS will follow up with a detailed plan for implementing the identified changes.

2.5 Carry out a cost-benefit analysis (CBA) of the current system of benefits available to investors in the technological industrial development zones (TIDZ), with focus on existing TIDZ investors.

TIDZs are promoted as one of the most attractive alternatives for investing in Macedonia. In addition to the regular investment incentives (e.g., the flat and low tax rates and the possibility for VAT and customs

relief in the case of exports available broadly to all companies operating in TIDZ), the TIDZ investors are entitled to additional incentives in the form of forgone duties and grants awarded by the GoM in compliance with the Law on State Aid. The type and level of the latter incentives are subject to negotiations on the terms of investment between the investor and the Agency for Foreign Investments and Export Promotion (InvestMacedonia). Macedonia currently has two TIDZ investments, which have been operating in the country for several years. This period of operation is long enough that the data from their operations should be sufficient to analyze the effects of the investment relative to the granted benefits.

Under this activity and on request by InvestMacedonia, IDEAS will carry out a cost-benefit analysis (CBA) to assess the positive effects of the TIDZ investments in terms of generated employment, network of suppliers, performed exports, and other contributions to the Macedonian economy as related to the granted benefits. The CBA is expected to significantly contribute to increasing the capacity and the competence of InvestMacedonia staff to engage in negotiations on the commercial terms of all future foreign investments in Macedonia.

ACTIVITY 3–INCREASE GOM ABILITY TO RESPOND TO PRIVATE SECTOR FEEDBACK

3.1 Encourage and support public-private dialogue on various industrial policy issues, channeling it through the mechanism developed by the IDEAS component B.

To be efficient and successful, industrial policy initiatives and measures must reflect the needs of Macedonian industry and be tailored to assist the companies in curing their weaknesses. This can be achieved only through a functional and competent PPD. Recognizing this need, the IP placed PPD in the center of all activities for IP implementation and assigned IMEG to be the public sector partner in the process. This component of the IDEAS Project will strongly support and facilitate all initiatives and possibilities for dialogue on IP issues. For this purpose, it will use the PPD mechanisms developed and promoted by the IDEAS component B.

3.2 Develop procedures within IMEG for reviewing proposals received by the private sector on various industrial policy and competitiveness issues.

Within the charter developed for IMEG under 1.2, IDEAS will develop a separate section that will include provisions on the treatment of private sector proposals related to IP. These rules clearly identify the responsible parties for different steps of the process; for example, who receives the business community policy papers, what are the procedures for forwarding them to the responsible IMEG member, what are the deadlines for review and evaluation, preparation of the response, and so on.

3. Expected Results

Through successful implementation of activities described in Section 2, IDEAS expects to achieve the following results under Component A, Theme 1:

- Increased efficiency and effectiveness of the overall process of IP implementation
- Strengthened coordination among various government institutions involved in IP implementation under the auspices of IMEG and CCOM
- Increased quality of administrative and organizational support provided by MoE IPCD to IMEG and CCOM
- Enhanced IMEG cohesion and capacity of its members to launch and actively participate in future competitiveness initiatives
- Established framework for monitoring IP implementation
- Improved quality of IP programs developed by the implementing institutions

- Provision of transparent online access for the business community to information on available IP incentives
- Achieved agreement between IDEAS and GoM on the selection of IP measures to be implemented by the project
- Increased awareness among the business community and the general public on the importance of IP as a comprehensive approach to supporting the competitiveness of Macedonian industry
- Developed and elaborated options for streamlining FDI promotion and facilitation
- Contribution provided to the process of mapping of licenses and business processes for the OSS
- Strengthened process for negotiating and determining incentive packages to individual TIDZ investors
- Established functional dialogue with the private sector on various IP initiatives
- Improved capacity and procedures within IMEG for review and treatment of private sector proposals.

Component A, Theme I–Implementation of the new GoM Industrial Policy for enhanced inter-ministerial coordination and streamlining of FDI, DI, and Aftercare					
Activity I–Industrial Policy implementation support to the GoM					
	Initiative	Objective	Timeline	Partners	Additional Local/Foreign Experts
1.	(I.1) Assess the current functioning of the system for industrial policy implementation to identify potential areas of assistance (IMEG, MoE IPCD).	Understand the current system for IP implementation, identify needs and determine areas of assistance.	Apr 2011	Deputy Prime Minister for Economic Affairs (DPMEA) Ministry of Economy–Industrial Policy and Competitiveness Department (MoE IPCD) Competitiveness Committee of Ministers (CCOM) Inter-Ministerial Expert Group (IMEG)	N/A
2.	(I.2) Based on the assessment, develop charter and work program for IMEG to include clear operating rules and procedures, efficient internal structure, and specific roles and responsibilities.	Set up clear working rules and procedures for IMEG.	May 2011–Jun 2011	IMEG MoE IPCD DPMEA Cabinet	N/A
3.	(I.3) Based on the assessment, propose actions aimed at strengthening the role and capacity of MoE IPCD to perform its responsibility related to industrial policy implementation.	Strengthen the capacity of MoE IPCD to support the work and functioning of IMEG and CCOM.	May 2011–Jun 2011	MoE IPCD	N/A
4.	(I.4) Review government programs implemented during the last 3 years with an objective to contribute to enhancing the competitiveness of Macedonian industry, including information on the specific measures, allocated amounts, and percentage of actual implementation.	Obtain a clear picture of the scope of the GoM efforts implemented in the past in support of the Macedonian industry and their impact.	Apr 2011–May 2011	DPMEA Cabinet MoE IPCD IMEG	N/A

5.	(1.5) Organize specialized workshop for developing a consistent approach to the process of developing programs for implementation of IP. As part of the training, develop a mid-term action plan for IP implementation.	Increase the capacity of IMEG, MoE IPCD and the DPMEA Cabinet to plan IP implementation and to prepare programs based on clear objectives, realistic deadlines and achievable and measurable results.	Apr 2011–May 2011	IMEG MoE IPCD DPMEA Cabinet	Total budget for this activity: \$15,000 EU expert: 8 days
6.	(1.6) Assist IMEG, MoE IPCD, and DPMEA Cabinet to establish a framework for monitoring the industrial policy implementation.	Establish a sustainable and efficient system for monitoring IP implementation.	Apr 2011–May 2011	IMEG MoE IPCD DPMEA Cabinet	Total budget for this activity: \$10,000 EU expert: 7 days
7.	(1.7) Organize specialized training for IMEG, MoE IPCD, and DPMEA Cabinet to build team cohesion, increase awareness on the importance of industrial policy, and develop basic public outreach skills.	Strengthen the cohesion among IMEG members, increase their knowledge on industrial policy and improve their skills to communicate and convey information to stakeholders and the public.	Sep 2011	IMEG MoE IPCD DPMEA Cabinet	Total budget for this activity: \$17,000 EU expert: 8 days
8.	(1.8) Identify the functionalities and draft the technical specifications for a single online location that will offer systematized information on all industrial policy programs in a transparent and friendly manner.	Improve the access to information on industrial policy initiatives for the business community, particularly SMEs and facilitate the application procedures for the incentives available under various programs.	Apr 2011–Sep 2011	IMEG MoE IPCD DPMEA Cabinet	Total budget for this activity: \$2,000 Local expert: 15 days
9.	(1.10) Promote the industrial policy in relevant economic printed and electronic media.	Increase the awareness among the business community and the general public of the industrial policy as a comprehensive government initiative for increasing the competitiveness of the Macedonian industry.	Apr 2011–Sep 2011	Prominent Macedonian economic media	N/A
10..	(1.11) Coordinate and leverage IDEAS industrial policy work with activities of other donors in this area (e.g., EU, World Bank). Particularly, follow and coordinate with the EU assistance efforts envisaged to start in 2012.	Increase the efficiency of the donor assistance efforts in the area of industrial policy.	Ongoing	European Delegation World Bank	N/A
Activity 2–Develop a new system for investment promotion, facilitation, and aftercare					
11.	(2.1) Actively participate in the process of planning the one-stop-shop for investment licenses and permits by providing advice to the working group established by DPMEA for this	Provide relevant input based on the experience of IDEAS staff in the implementation of electronic OSS solutions.	Apr 2011–Sep 2011	DPMEA OSS working group	N/A

	purpose and closely collaborating with the EU advisors assigned to design the OSS concept.				
12.	(2.2) Conduct a comprehensive baseline assessment of the current system for foreign investment facilitation and aftercare.	Identify the key shortcomings and obstacles within the current system for foreign investment facilitation.	Apr 2011–Jun 2011	DPMEA Ministry of Economy InvestMacedonia Investor community	N/A
13.	(2.3) Research and document international best practices for foreign investment and aftercare facilitation.	Identify possible solutions for foreign investment facilitation and aftercare used by countries similar to Macedonia.	Jul 2011–Aug 2011	DPMEA Ministry of Economy InvestMacedonia	Total budget for this activity: \$8,000 Foreign expert: 6 days
14.	(2.4) Develop design options to be presented to GoM (DPMEA, CCOM) for decision and approval.	Assist GoM to make an informative decision in this area and to select an approach that will be fully owned by the Macedonian institutions.	Sep 2011	DPMEA CCOM InvestMacedonia	Total budget for this activity: \$13,000 Foreign expert: 12 days
15.	(2.5) Carry out a cost-benefit analysis (CBA) of the current system of benefits available to investors in the technological industrial development zones (TIDZ) with focus on existing TIDZ investors.	Assess the effects and the impact to date of the investments located in TIDZs.	Apr 2011–Jun 2011	InvestMacedonia	Total budget for this activity: \$10,000 Foreign expert: 8 days
Activity 3–Increase GoM ability to respond to private sector feedback					
16.	(3.1) Encourage and support public-private dialogue on various industrial policy issues, channeling it through the mechanism developed by the IDEAS component B.	Make sure that the introduced industrial policy initiatives meet the needs of the Macedonian industry.	Ongoing	IMEG NECC CoC	N/A
17.	(3.2) Develop procedures within IMEG for reviewing proposals received by the private sector on various industrial policy and competitiveness issues.	Increase the quality and the efficiency of the proposal review process.	May 2011–Jun 2011	IMEG ME IPCD	N/A
TOTAL \$ 75,000.00					

THEME 2: DEVELOPMENT AND IMPLEMENTATION OF A COMPREHENSIVE EXPORT PROMOTION STRATEGY AND TRADE POLICIES TO SUPPORT EXPORTS

1. Current Situation

Macedonia has a small domestic market, and its economy's future depends on its ability to create competitive exportable products and services with higher value added.

During the entire period of its independence, Macedonia has experienced negative trends in its international trade. According to the State Statistical Office, the export value of goods in the Republic of Macedonia in 2010 was \$US 3.3 billion, and the import value was \$US 5.45 billion, creating a trade deficit of \$US 2.15 billion.¹

The Macedonian economy is characterized by a heavy dependence on metals and petroleum products; exports are dominated by labor and capital-intensive industries such as textiles and manufacturing.

It is becoming critical that Macedonia's future exports focus on higher-value and higher-margin products, created based on innovation, technology, and knowledge transfer. The IP defined by the GoM in 2009–2010 identifies and addresses these issues.

In this context, the IDEAS Project aims to support the newly created Export Promotion Agency (InvestMacedonia) in carrying out its export mandate. Considering the lack of resources and know-how, the IDEAS Project will seek to provide InvestMacedonia with the structure and mechanisms it needs to efficiently support the key industries that will be identified by the stakeholders as critical to quickly boosting exports.

To achieve this objective, the IDEAS Project will use a synergistic approach that links the efforts to implement the IP (Component A-1) with the effort to improve the competitiveness of export promotion activities.

2. Planned Activities

Our approach will concentrate on building the processes and mechanisms for InvestMacedonia to provide relevant services to export-oriented companies, focusing on key sectors with the highest potential and aligned with the IP vision. We will set up the organization, strengthen its capabilities through training and hands-on coaching, and coordinate InvestMacedonia efforts with the business and donor community at large to extend its outreach and impact. We will kick off these activities in Year 1; in Year 2 and Year 3, we will strengthen these initiatives and address any corrective measures to keep the export strategy on target.

Our approach combines horizontal activities that set the framework and apparatus of InvestMacedonia (i.e., vision, mission, organizational structure, business model) with vertical activities that will root the framework in the realities of the current environment (i.e., implementation). Such an approach will enable us to accomplish two objectives: (1) define the long-term concept of the agency, and (2) create immediate and visible results.

Therefore, we divide Year 1 activities into three categories. The first category represents activities focused on developing the strategic framework and business model for the Agency for Foreign Direct Investments and Export Promotion (the Design Phase). During the Implementation Phase, activities will

¹ Source: National Bank of Republic of Macedonia

consist of hands-on, day-to-day assistance in operating an efficient export agency by coaching InvestMacedonia staff on how to implement their export programs. During the Sustainability Phase, we will initiate activities that focus on developing the customer relation management web platform for InvestMacedonia and train overseas staff to improve their overall effectiveness.

The main counterparts in this implementation effort will be InvestMacedonia, MoE, DPM for economic issues, the cabinet, donor community, and other USAID projects, and the business community and civil society.

ACTIVITY 1-DESIGN PHASE: DEVELOP THE STRATEGIC FRAMEWORK AND ACTIONS PLANS FOR THE AGENCY FOR FOREIGN DIRECT INVESTMENTS AND EXPORT PROMOTION

In August 2010, the GoM passed the decision to restructure InvestMacedonia to a dual-function agency with responsibilities for both attracting investments and promoting exports. During November and December 2010, the draft of the Export Promotion Strategy and Recommendations for Reconstituting InvestMacedonia was developed by consultant David Brown. In case the Strategy is not adopted in due time, IDEAS will provide assistance to InvestMacedonia, in accordance to their mandate given by Law, as well as in accordance with IDEAS Work Plan.

1.1 Conduct analysis of the existing export sectors and select two sectors with the highest export potential.

Using sectoral studies conducted by other USAID competitiveness projects, the BERIS Export Strategy Project, Booz Allen internal export promotion intelligence, and especially already conducted sectoral analysis of agriculture, wine and ICT, we will identify the two sectors with the highest export potential, which InvestMacedonia should focus on in the next 2 to 3 years. Selection of the two sectors will be supported by objective analysis that will take into account criteria such as return on investment, export readiness, and InvestMacedonia's available funding, and we will obtain a consensus among key stakeholders. Based on international market trend data, export targets will be established for these high-potential sectors. These targets later will be integrated into a monitoring plan to assess accomplishments and overall performance of InvestMacedonia.

1.2 Conduct market study to identify the markets/products that are most relevant to the two selected industries.

We will leverage previous studies and conduct complementary market research to identify the key export markets and products for which Macedonia has a distinct competitive advantage in the selected two sectors. For each market/product, we will study the competition and value-chain potentials to articulate creative solutions that InvestMacedonia can convert into targeted programs for its customers.

1.3 Design InvestMacedonia's Export Programs to support the top two selected sectors.

We will design a series of programs to support the two priority sectors and their respective products and markets. These programs will be tailored to the needs of the companies (See ACTIVITY 2 for details), and will be complemented by horizontal programs that are available to all companies, in any sector (e.g., design of a Market Intelligence Database and/or development of an Export Audit offering), which will evaluate companies' export readiness and advise them on the InvestMacedonia that are best suited to support their specific export needs.

1.4 Set up InvestMacedonia's organizational structure and develop actions/operational plans to effectively implement the strategy.

Although the authority to perform export promotion was granted in August 2010, InvestMacedonia does not have the appropriate business processes, organizational chart, or funds to design and implement efficient export programs. The following tasks will be conducted in Year 1 to address these challenges:

- Review InvestMacedonia's current *legal framework* and assess areas where legal amendments are necessary.
- Leverage the latest report by the BERIS consultant to propose a new *organizational structure* that clearly defines the roles and responsibilities of each department within InvestMacedonia and the lines of authority.
- Conduct a baseline analysis of *staff's export promotion skills* and develop professional development plans to address the gaps.
- Develop *marketing materials* to present InvestMacedonia's Export Programs to exporters.
- Review the *cost-sharing grant schemes* previously administered by the MoE. Propose improved co-financing arrangements based on international best practices. Descriptions will include key characteristic of the selection criteria, how grant or co-financing applications will be managed, eligibility, and evaluation criteria.
- Develop *Action Plans* for each Export Program, with detailed description of the activities to be implemented, responsible party, timeframe, budget, and expected outcomes (See ACTIVITY 2 for details).

The main priority of IDEAS in the first year will be implementation of the activities described under phase I. The dynamics of implementation of these activities will influence the timeframe for implementation of the activities described in the other phases, which may continue towards the end of Y1 and beginning of Y2.

ACTIVITY 2-IMPLEMENTATION PHASE: IMPLEMENTING INVESTMACEDONIA'S EXPORT PROGRAMS

The main objectives of this set of activities is to implement the full range of export programs within InvestMacedonia and to develop appropriate training for InvestMacedonia's staff to deliver and monitor the success of these programs. The export programs will be adapted to the level of export readiness of InvestMacedonia's customers and will offer a broad spectrum of assistance, from market analysis to sales closure.



2.1 Building Export Readiness through Targeted Training Programs for Exporters.

We will train InvestMacedonia staff in developing a typology of exporters so that they understand the various needs of the diverse customers' bases. For each category of exporters, InvestMacedonia will offer targeted assistance. For companies with export potential, but not yet ready to export, InvestMacedonia may propose basic training programs, or direct the companies to specific donor-funded programs. For mature companies, which are ready to export but new to exporting, InvestMacedonia may offer a full range of training modules on production capabilities, market research, sales and marketing plans, assessment of export market opportunities, banking, international law, search for partners, and export processes.

2.2 Selecting Target Markets.

For export companies that have a true potential for export, but lack proper intelligence to guide their export decisions, we will train InvestMacedonia's staff in building a Market Intelligence Unit. This unit will be responsible for collecting current and relevant market data, analyzing trends, and synthesizing market information in clear and concise market studies that are focused on identifying opportunities, key competitors, end-user profiles, and regulatory and cultural obstacles in the selected countries. The market studies also will provide such details as demand volume and product characteristics.

Economic promoters of InvestMacedonia will actively participate in the process, together with the private sector representatives from selected industries. Consultations with the private sector (e.g., NECC meetings, CoC policy papers) will build an understanding of each sector's business needs and priorities, thereby focusing export promotion and service delivery.

2.3 Identifying Sales Opportunities and Export Market Potentials.

For specific groups of exporters, we will train InvestMacedonia to offer co-financing programs, support activities that entail selecting and contacting clients, advise attending relevant trade fairs in targeted countries, and/or provide letter of credit guarantees and export funding opportunities.

2.4 Closing the Export Deals.

The last type of export programs that InvestMacedonia will support include commercialization and conclusion of export deals using various tools such as trade mediation, organization of promotional events and B2B forums, international trade fair attendance, and liaison with InvestMacedonia overseas representative to expand exporters' international trade and distribution networks.

During this process appropriate informational and advertising materials and brochures will be developed and distributed by InvestMacedonia and IDEAS.

All activities will be implemented as a joint effort of the IDEAS Project, InvestMacedonia, and other donors, using local and international experts.

ACTIVITY 3-SUSTAINABILITY PHASE: DEVELOP CUSTOMER RELATION MANAGEMENT WEB PLATFORM FOR INVESTMACEDONIA AND TRAINING ACTIVITIES

The third group of activities seeks to establish sustainable mechanisms that will support the new operations and institutional structure of InvestMacedonia.

3.1 Conduct preliminary analysis for the potential creation of an Export Promotion e-portal.

We will conduct a baseline analysis to identify the technical specifications and cost for set up of an e-portal for export promotion. The actual design and development of the e-portal will occur in Year 2, and will be based on the experience from other successful export promotion agencies, some of which are mentioned in the Export Strategy developed by D. Brown.

The web portal should be built with a modular solution to allow for easy upgrades and update. It also should be a multi-language platform because it will become the primary information gateway for companies interested in exporting, or investors interested in Macedonian export-oriented businesses.

Information available on the portal should include, but not be limited to, general information for the agency, organizational structure, mission and contact details, information about the assistance provided by the agency (e.g., programs, export grants), information on how to get into the export market using the export promotion brochures that will be posted on the web, export plan templates, and export plan finance navigator, Macedonian exporters directory, industry capabilities, networking opportunities, export marketing, information for financial assistance programs, international export-related events, information on available export promotion training, forums, FAQs, and so on.

The web portal should include a database of exporters that is searchable by product or company name, details of upcoming trade shows and events, and information about Macedonian's exporting sectors. It also should give access to an electronic marketplace that will match foreign buyers with Macedonian sellers.

The web portal should offer two levels of access. The Internet will be accessible to everyone, but the intranet will be focused on InvestMacedonia staff, allowing for online communications with promoters around the world. Some tools for online meetings and presentations should be introduced to increase the efficiency of the promoters' activities.

The current customer relationship management (CRM) solution currently in use in InvestMacedonia should be analyzed and integrated into the web platform. The web portal also should be linked with the portals of other relevant domestic public and private sector web portals, as well as with donors' assistance programs.

Through the web portal InvestMacedonia should be able to operate trade information database systems and provide effective trade information service to exporters, importers, and the general public.

3.2 Improve the Collection, Analysis, and Dissemination of Trade Statistics.

As technical requirements are gathered during the baseline analysis for an e-portal solution, we will research the feasibility and cost of including a statistical module in the web portal. This module should lead to more efficient collection, analysis, and dissemination of trade statistics produced by the various state institutions. In addition, the statistical module should offer possibilities for creating online surveys according to the needs of InvestMacedonia and MoE. The system will automatically generate results and reports from the data gathered.

Other available analyses and surveys from other relevant international organizations and donors (e.g., World Bank, IMF, OECD, USAID, GTZ CBI/Holland, SIIPPO, and others) also would be useful on the web portal.

InvestMacedonia's web portal should become the main focal point for providing the most updated, accurate, and relevant information on investments and exports.

3.3 Develop the briefing pack for promoters from Invest Macedonia featuring all the GOM and donor sponsor studies, strategies and SWOTs.

Briefing packs will contain all the information necessary for promoters to conduct more effective export promotion activities overseas. The briefing pack will contain information about the sectors, market analysis, statistics, and other relevant information that will be available on the intranet portal.

3.4 Training Promoters on Value Chain Analysis, Trade Policy Analysis and Competitive Market analysis, project management and customer service; Training of the promoters on how to develop an Export Promotion Operating and Marketing Plan.

Economic promoters return to Macedonia each year for fact-finding, networking, and training. Each economic promoter is expected to share information on the successes and failure of various promotion initiatives with managers throughout the organization. During the summer a training program will be developed with several training modules for the promoters. Topics to be covered in the training include value-chain analysis, scanning markets for opportunities, marketing and trade promotion techniques, market research, and others.

Promoters also will be trained on data-gathering techniques and database creation with data obtained from country visits, trade shows, and business meetings. Databases that are created will be available for the exporters as an effective source of information about demand for Macedonia products in key target markets.

In addition to general training, economic promoters from the selected markets will be trained on specific issues related to the export promotion needs in the selected industries and sectors. This training will include several topics, such as sector export marketing planning; matching exporters and selected market access requirements; initiation, facilitation, and support in the areas of export cluster development; and export coaching programs.

This activity will be implemented with the support of both local consultants and international speakers.

ACTIVITY 4–CROSS CUTTING INITIATIVES

This group of activities will support development of coordination mechanisms among various stakeholders and the donor community and is intended to reinforce PPD in the country on export-related matters.

4.1 Establish a Monthly Export Promotion Working Group as a part of the IMEG (members of the group: InvestMacedonia, DPM Cabinet, MoE, donors, USAID projects, Macedonian Bank for Development Promotion).

To improve coordination among the various stakeholders involved in implementing export promotion activities, IDEAS will establish the Export Promotion Working Group, as a part of the IMEG, to discuss all export-related measures. The working group also will identify opportunities for using EU funds to finance export promotion activities.

4.2 Establish Regular Coordinative Meetings with the Private Sector to Develop a Competitive Export Infrastructure.

We will help create regular coordination meetings with the private sector to improve communications and to develop a mutual understanding between the public and private sectors on export-related matters. These coordinative meetings will include representatives from all CoCs and representatives from the Export Promotion Working Group (i.e., InvestMacedonia, MoE, DPM Cabinet).

3. Expected Results

On the strategic level, during Year 1, Activity 1 will include the following activities and results:

- Develop business plan with detailed description of the business model, business processes, and financial projection
- Develop InvestMacedonia action plan
- Perform skill gap analysis and develop professional development plan
- Complete comprehensive legal review of authorizing legislation
- Develop new cost grant scheme for support of Macedonian exports
- Develop performance measurement indicators for monitoring the activities.

The main objective of the activities described in Activity 2 is to create a customer-oriented culture within the agency and to transfer the knowledge for performing the export promotion function.

Illustrative results to be achieved during Year 1 include the following:

- Select two sectors or product lines for export promotion support through InvestMacedonia
- Train private sector representatives in the selected sectors on export promotion issues, such as training modules on market research, sales and marketing plan, and assessment of export market opportunities

- Initiate detailed assessments of selected target markets; assessments will include market research and market studies focused on identifying opportunities, key players, and end users, as well as on regulatory and cultural obstacles in the selected country
- Initiate several business matching activities, such as trade fair attendance, B2B, business forums, or online meetings.

In Activity 3, we will initiate a series of activities intended to develop the IT backbone of InvestMacedonia and strengthen the capacity of InvestMacedonia export promoters overseas, as follows:

- Initiate training
- Conduct IT requirements analysis.

The main findings will serve as the foundation for Year 2 activities.

Activity 4 will result in the following:

- Better coordination between the public and private sectors through efforts of the working group for export promotion
- Establishment of regular coordinative meetings between the public and private sectors.

These activities will contribute to maximizing the effects of donor assistance programs and export promotion activities.

All activities should lead to creation of an efficient EPA that is capable of carrying out its mandate for export promotion.

Component A, Theme 2–Development and Implementation of a comprehensive export promotion strategy and trade policies to support exports					
Activity 1–Design Phase: Develop the strategic framework and business model for Agency for Foreign Direct Investments and Export Promotion					
	Initiative	Objective	Timeline	Partners	Additional Local/Foreign Experts
1.	(1.1–1.3) Develop the strategic plan, identify key sectors and markets, design Export Programs.	Develop InvestMacedonia’s vision and goals. Launch of export promotion activities of InvestMacedonia and develop monitoring and evaluation capacities and systems and plans for measuring the impact of export promotion policies and programs.	Apr–Jun 2011	Ministry of Economy; Investment and Export Promotion Agency; Deputy Prime Minister for economic affairs; Economic chambers, donors-EU/IPA; Dutch, Swiss and German bilateral assistance, USAID Projects professional associations, NECC, Civil Society–Media, Academia.	Total budget for this activity: \$35,000 US-based foreign expert: 50 days EU experts: 20 days Local experts (days): 15 days
2.	(1.4) Conduct baseline organizational assessment (skill gap analysis, review of current legal framework), and develop new organization structure and appropriate action plans, including supporting performance metrics.	Develop InvestMacedonia’s operations and structure.	Apr-Jun 2011		
Activity 2–Implementation Phase: Implementing InvestMacedonia’s Export Programs					
3.	(2.1-2.4) Training Invest Macedonia staff on a range of Export Promotion programs to offer to Macedonian exporters.	Hands-on coaching and knowledge transfer of export promotion programs best practices.	Jun-Sep 2011	Same as above.	Total budget for this activity: \$20,000 EU experts: 20 days Local experts: 15 days
Activity 3–Sustainability Phase: Develop CRM and Training Activities for Promoters					

4.	(3.1; 3.2) Initial baseline study and identification of technical requirements for an investment and export promotion portal (with intranet option), including statistical module.	Develop monitoring and evaluation automated process and plans for measuring the impact of export promotion policies and programs.	Apr 2011– Sep 2011	Same as above.	Total budget for this activity: \$15,000 (software development firm)
5.	(3.3) Develop the briefing pack for promoters from Invest Macedonia featuring all the GOM and donor sponsor studies, strategies and SWOTs.	Build sustainable operations within the Agency for trade policies analysis to support the development of exports	Jun 2011 - beyond September 2011		Total budget for this activity: \$5,000
6.	(3.4) Training InvestMacedonia export promoters on value chain analysis, trade policy analysis and competitive market analysis, project management and customer service; and development of Export Promotion Operating and Marketing Plans	Build capacity of export promoters to provide adequate support to Macedonian exporters.	Jun-Sep 2011		Total budget for this activity: \$5,000 (co-share with other donors, \$TBD) Foreign and local experts: 15 days
Activity 4–Cross Cutting initiatives					
7.	(4.1) Establish the Export Promotion Working Group as a part of the IMEG with monthly coordinative meetings (members of the group: InvestMacedonia, DPM Cabinet, MoE, donors, USAID projects, Macedonian Bank for Development Promotion)	Assist the Agency to coordinate and maximize assistance provided by other donors.	Apr 2011– Sep 2011	Same as above.	N/A
8.	(4.2) Establishing regular coordinative meetings with the private sector for developing competitive export infrastructure	Encourage PPD on export oriented issues.	Apr 2011 - Sep 2011		N/A
	TOTAL - \$ 80,000.00				

THEME 3: CONTINUED PROFESSIONALIZATION OF THE PUBLIC PROCUREMENT SYSTEM

I. Current Situation

The Public Procurement (PP) system in Macedonia seems to be functioning well. The legal framework, which is nearly fully compliant and harmonized with the new EC procurement directives, is in place. The Public Procurement Bureau (PPB), which ensures development and promotion of the PP system by ensuring legality, rationality, efficiency, transparency, equal treatment, and non-discrimination, and by encouraging competition in the PP process, is well perceived by all stakeholders.

In recent years, the GoM implemented several reform initiatives in the procurement area to increase the effectiveness and transparency of PP. Since 2006, USAID has been supporting the GoM (through the PPB) in these initiatives by helping to draft the Public Procurement Law (PPL), institutionally strengthening the PPB, establishing the Public Procurement Training Center (PPTC), and implementing an electronic procurement system.

This heavy support (1) led to development of a PPL that is in line with internationally accepted standards and practices and nearly compliant with EU Procurement Directives; (2) strengthened the role of the PPB by providing it with greater independence and more authority; (3) strengthened the PP profession by establishing the PPTC, which is providing continuing education and development of professionals in the PP process; and (4) developed an e-procurement system that is highly recognized, not only domestically, but also internationally, as one of the most advanced systems and fully in compliance with EU directives and best practices.

USAID, in conjunction with other donor initiatives (e.g., EU Regional Twinning Program and SIGMA Regional Training Project), will continue its support, focused mainly on implementing the current legal framework and the best practices in this area.

2. Planned Activities

To maintain momentum and continue progress in this area, USAID, through the IDEAS Project, will provide further support to the GoM PPB in its efforts to introduce higher standards and professionalism in the PP processes and to provide the PP community with well-qualified and skilled professionals, all aimed at achieving stable, transparent, competitive, responsible, efficient, and ethical PP, which ultimately will contribute to improving the business environment in the country, through:

1. Strengthening the Existing PPL—Improving the status of the PPB and formalizing the status of the PPTC
2. Strengthening the PP Profession—Improving the PP training program and its curriculum and introducing mandatory certification for members of the PP committee
3. Increasing the usage of and promoting the e-procurement system
4. Public Awareness—Carrying out a communications campaign
5. Developing an internship program.

IDEAS has identified that former e-Gov staff members are in process of establishing an NGO and the proposed plan is the work/activities under this component to be conducted by them. The scope, mechanism and timing for such process will be discussed and agreed additionally with USAID.

2.1 Strengthen existing Public Procurement Law

Overall, the PPL is in line with internationally accepted standards and practices and is nearly compliant with EU Procurement Directives. To further strengthen the PP profession and practices, and enhance the use of the e-procurement system, IDEAS will support the process that includes reviewing the existing PPL, consulting with stakeholders, and producing appropriate recommendations from this process that ultimately will lead to legislative changes. This effort and the recommendations will be based on an assessment of EU and regional best practices in the PP area as a follow-up to the study tour that is planned to be organized in the region.

IDEAS will support the PPB and other relevant stakeholders in advocating for required legislative amendments, including legally mandated certification in PP for selected officials in each ministry, and for alignment of the law with recent developments in the e-procurement system regarding notifications and e-auctions. IDEAS also will support the ongoing initiative to redefine and further strengthen the status, organization, and role of the PPB, as well as the formal definition of the PPTC in the PPL. Depending on the outcome of the process (i.e., EU/regional comparative approach/study tour to Serbia) and political will to make the PPB legally independent from the Ministry of Finance, formal definition of the status of the PPTC, and the legally mandated certification, draft legislation will be prepared for consideration by the GoM.

2.2 Strengthen Public Procurement Profession

The lack of professional procurement personnel in Macedonia makes it critical to train contracting authorities (CA) and economic operators (EO) in the field of PP to improve the efficiency of the PP system. In addition, there are indications that there is insufficient professional knowledge and experience within the procurement units of both the public and private sectors, which is one of the reasons for deficiencies in PP procedures.

IDEAS will support the PPB in reviewing the current training priorities and programs of the PPTC and PPB, and make recommendations for further improvements and for broader participation in the training courses. This will encompass review and improvement of the program and curriculum of the regular training and certification process; review of the train-the-trainer program for training and certification of PP trainers; preparation of standard templates; and preparation and adoption of the necessary sub-regulations to ensure these programs are implemented properly. We also will revise the existing training plan for training and mandatory certification to enroll as many representatives from CAs and EOs as possible. All training activities and the curriculum will be targeted to address specific gaps, weaknesses, priorities, and recommendations. The training will use case studies and exercises to make the training more collaborative, intensive, and interactive. The PPTC and PPB will launch training tools in PPs and distribute PP educational materials on the PPB website and in booklets.

2.3 Increase the usage/promotion of Electronic Procurement System

USAID helped the GoM establish and implement an advanced electronic system for PP, but the system is not widely used by CAs and EOs. The major limitation is the lack of human capacity within the government and among vendors in the general use of the e-procurement system. Limited IT infrastructure within the private sector also is a bottleneck in the use of this web-based application.

One of the challenging tasks ahead is to increase the use of the e-procurement system for conducting PPs in an effort to make the PP process more efficient, transparent, and cost effective. Ultimately, it is hoped that this will lead to a process that is less prone to corrupt activities. IDEAS will be a major part of this challenging task.

To that end, we will assess the performance of the 2009–2010 e-procurement implementation action plans to understand the gap in human and infrastructure capacity for conducting electronic PPs. Based on the findings, we will develop an updated action plan to further enhance the system and increase the public's confidence and skills in e-procurement. On PPB adoption of the revised action plan, the focus will be on implementing and monitoring the activities, including providing classroom training and e-

training on the different functional aspects of e-procurement and preparing materials for public awareness about e-procurement.

2.4 Public Awareness /Communications Campaign

PP in Macedonia has experienced significant progress, which has been acknowledged by many domestic and international institutions (e.g., two EU Commission Reports praised Macedonia's progress in this area). However, the public's perception of the process lags behind.

Therefore, IDEAS will develop a broad communications strategy targeting procurement experts and the wider public, to communicate the benefits of transparent PP.

The strategy will be implemented using a variety of outlets and venues, depending on the communication targets. Illustrative examples include official meetings and workshops with ministry officials and staff; case studies on cost savings gained through e-procurement, published through selected media outlets; publication and dissemination of printed materials with promotional and educational topics on PP; participation in PP conferences at the national and international levels; and others. In addition, we will approach various business associations and educate them on this topic, as well as advise them on how to lobby ministries to promote increased use of e-procurement.

2.5 Capacity building of the Public Procurement Bureau

In order to improve the PPB functioning and their responsiveness to the dynamics of the public procurements, PPB plans to introduce/implement an ISO standard for enhancing its efficiency. The standard that is planned to be implemented is ISO 9001:2008, which is a standard that aims to enhance customer satisfaction through the effective application of the system, including processes for continual improvement of the system and the assurance of conformity to customer and applicable regulatory requirements. To this end, a certification company/house is planned to be engaged for introduction of the procedures required for confirmation that the organization (in this case the PPB) meets the requirements and standards set forth by the International Organization of Standards.

2.6 Internship program

IDEAS will continue the tradition started under the BEA Project and provide interns for stakeholders to offer meaningful professional opportunities to young graduates, as well as to strengthen the internal capacities of the institutions. In that context, IDEAS, through its internship program, will provide the opportunity for two young people to work within this partner institution for 6 months.

Given the load and complexity of the work, especially that the PPB is understaffed at this time, we believe that the two interns' engagement will be helpful and beneficial for the partner institution.

3. Expected Results

All of the abovementioned activities are focused on further improvement of the overall public procurement system. The expected results from the planned activities are as follows:

- Development of EU Assessment Report and regional best practices in the PP area, especially on the status of the PPB and the PPTC, as well as mandatory training and certification
- Implementation of study tour in the region to gain comparative knowledge and experience
- In cooperation with relevant stakeholders, production and advocacy of appropriate recommendations for legislative modifications that will strengthen the role of the PPB, as well as a formal definition of the status of the PPTC to be ultimately adopted
- Improved program and curriculum of the regular training and certification process, as well as the train-the-trainer program for training and certification of PP trainers

- Adoption of necessary sub-regulations for the training and certification process
- Increased professionalism and transparency in PP due to legally mandated training and PP certification
- Demonstrate knowledge and leadership of GoM officials in procurement reforms, increased number of trained and competent procurement professionals, and knowledgeable private sector bidders
- Completion of assessment report of the e-procurement system
- Development of action plan to further enhance the system and improve the public's confidence and skills in the e-procurement system
- Increased perception about and usage of the e-procurement system
- Achievement of the minimum limit for use of e-auctions, expected to be 70 percent by 2013
- Development of Communications Strategy on the PP topics
- Increased confidence in the PP system by both experts and the wider public
- Procurement by the GoM of quality goods and services at competitive prices, leading to more efficient allocation of resources and budgetary savings for taxpayers.

Component A, Theme 3–Continued Professionalization of the Public Procurement system					
	Theme 3: Continued Professionalization of the Public Procurement system				
	Initiative	Objective	Timeline	Partners	Additional Local/Foreign Experts
1.	Strengthening the existing PPL	Improvement of the status of the PPB and formalizing the status of the PPTC.	Apr 2011–Sep 2011	PPB, State Auditor, relevant ministries and agencies, NECC, all COC, Business associations	Total budget for this activity: \$15,500 (co-shared study tour with PPB) Local experts: approx. 70 days
2.	Strengthening the PP Profession	Improvement the PP training curriculum and introducing mandatory certification for the members of the PP committee.	Apr 2011–Sep 2011	PPB, Law Faculty, relevant ministries and agencies	Total budget for this activity: \$8,000 Local experts: approx. 60 days
3.	Increase the usage/Promoting the e-procurement system	Further enhancement of the system and enhancement of the public confidence and skills in the e-procurement system.	May 2011–Sep 2011	PPB, relevant ministries and agencies, Center for Civil Communications	Total budget for this activity: \$6,500 Local experts: approx. 30 days
4.	Public Awareness–Communications Campaign	Public as well as domestic and foreign firms aware of the progress in this area and have more confidence in the public procurement system.	Apr 2011–Sep 2011	PPB), MIM. MLA, <i>Kapital, Business Daily</i>	Total budget for this activity: \$5,000 (co-shared with PPD Component) Local experts: approx. 25 days
5.	PPB capacity building	Improvement of the efficiency and effectiveness of the PPB	May 2011 – September 2011	PPB	Total budget for this activity: \$ 3,000 certification company – to be selected
6.	Internship program	Support the PPB in its daily operations, having in mind that the PPB is understaffed at this moment, as well to offer young adults a meaningful professional experience.	Apr 2011–Sep 2011	PPB	Total budget for this activity: \$4,200

	TOTAL - \$ 42,200.00
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II. COMPONENT B–PUBLIC-PRIVATE DIALOGUE (PPD) ENHANCED

I. Current Situation

The current situation in Macedonia to a large extent resulted from the BEA project successfully introducing several PPD tools and starting an ambitious training program to obtain buy-in from the government and the private sector on the benefits of Regulatory Impact Assessment (RIA) and lobbying.

This BEA effort successfully transferred the organization of the annual Export Conference, introduced under the Booz Allen–led WTO Accession and Compliance projects, to the MoE. It also contributed heavily to reviving the National Entrepreneurship and Competitiveness Council (NECC), making it the official counterpart of the GoM and working diligently with all business groups to develop NECC's statutes.

However, Public-private dialogue is not fully institutionalized or sustainable; it serves more as a public relations tool than as an actual dialogue mechanism with visible and measurable results.

Several initiatives referring to PPD are currently ongoing on national and local level and we will closely monitor their outcomes, in order to adjust our activities to best support the initiatives we consider to be of the best interest, with a special focus on Investment development and Export promotion.

a. National Entrepreneurship and Competitiveness Council (NECC)

Significant progress was achieved in regard to the NECC. It was established, structured, and acknowledged as the most adequate instrument of PPD. There is high level of readiness and cooperativeness shown by the public sector to restore the NECC and to achieve its goals and objectives. All stakeholders agree that a certain model is necessary and adequate to advocate the need for a modern economy, but only under the condition that its role and authorizations are clearly defined. NECC might be such a model, if a commitment is given for such a mandate to this body.

Despite the progress achieved, the NECC faces a number of challenges, as follows:

- There is skepticism among stakeholders, especially among the CoCs, about the success of another initiative to restore the NECC. This skepticism is the result of failed efforts in the past and the subsequent lack of confidence in the sincerity of the counterpart-stakeholders, that it may be just another public relations action by the GoM.
- Stakeholders are not sufficiently educated and committed to the NECC initiative. It results in insufficient awareness of the importance of the NECC, of the positive results achieved in other countries, and especially of the benefits to each stakeholder of having such an instrument to articulate their needs.
- CoCs have low mutual cooperation and coordination, which influences their capacity to become a relevant partner of the government in the PPD process.
- There is lack of capacity at the MoE as the designated institution to support the NECC.
- The organizational and performance structure was inefficient and became the source of additional difficulties in efforts to implement activities.

- The internal acts of the NECC were prepared to serve a platform that was determined a few years ago, and these are not adequate to the present conditions.
- The membership structure of the previous NECC did not sufficiently include or adequately represent SMEs and micro-enterprises, which makes it harder to retain their focus and interest.

Recently, a new platform for the NECC was distributed to all stakeholders, with strong support from Macedonia's Vice-Prime Minister for Economic issues. Currently, the response of the CoCs is pending. Their decision will be key for the overall decision about whether to have the NECC or to attempt another form of support for PPD.

The IDEAS Project will support the **establishing of an institutionalized PPD-mechanism on national level**, in whatever form the stakeholders consider to be the most appropriate. However, it is not an objective of the project to insist on a certain form since the PPD must be based on a consensus of the parties in order to be successful. At the moment there is no commitment from relevant stakeholders for reviving of NECC. Hence, IDEAS shall not be engaged in any activity related to NECC's revival in the forthcoming period. However, if in the future both sides (public and private sector) show strong commitment and will for its revival, IDEAS will support the process as described above.

Until strong commitment is demonstrated by all parties to revive the NECC, IDEAS will initiate alternative activities to enhance PPD. We already have identified that the focus should be on **strengthening the capacities of the CoCs to transform them into relevant counterparts of the GoM**, as described below, under activity 4.

b. RIA (Regulatory Impact Assessment)/Export Promotion/Chambers of Commerce (CoC)

Previous USAID-supported activities enabled Macedonia to gain an awareness of the significance of the RIA mechanism and the benefits of the Unique National Electronic Register of Regulations (ENER) system in the state administration, the civil society, and the private sector. The CoCs and business associations are still the weak links in the PPD. There are challenges ahead, as follows:

- There is an insufficient knowledge base among all stakeholders and little awareness of the advantages offered by RIA and ENER or the methods to implement them.
- RIA, although mandatory, is not widely and consistently used in practice, mainly because GoM ministries fail to upload their plans for using RIA onto their websites and the ENER (www.ener.gov.mk).
- Lobbying is still nascent and the Export Conference still must prove its sustainability.
- The CoCs are not united, do not communicate effectively with each other, and still have difficulties in defining a joint strategy and/or concrete requests from other stakeholders, limiting their capability to become a relevant counterpart in the process.
- There is little ability and knowledge among the CoCs to define and issue economic policy documents as a key condition for successful dialogue with the public sector.

c. Economic-Social Council (ESC)

After a long delay, the ESC regained its role to serve as a platform for PPD and was awarded the confidence of the stakeholders, which should be used as momentum to build on these foundations. The strategy of the ESC is the most important starting point to continue efforts and define the best possible approach.

The ESC faces several challenges, as follows:

- The action plans of the National ESC's Strategy are yet to be defined.

- The organization and performance plan of the ESC must be redefined if the ESC is to serve its purpose.
- The mandate and expectations of this forum are yet to be defined.
- There is a lack of education and experience among the members.
- There is skepticism regarding commitment and operational efficiency by the stakeholders.

d. Media

The efforts undertaken in past years resulted in a certain level of public awareness about PPD and the instruments supporting its successful implementation. The main challenges in this regard include the following:

- Lack of education among the media—There are only few specialized professionals covering economic issues, and their education on what PPD is and how they can assist the process is of utmost importance.
- Existent Skepticism about PPD Initiatives—given the previous experience of the media with failed initiatives, one of the challenges is to persuade them that adequate coverage will be justified and relevant.

The current condition provides reasons to look forward to this challenge—the planned activities of our project address all challenges defined in close cooperation with all stakeholders and will serve as a strong support for the other components of the IDEAS Project.

We are confident that by the end of our activities, the PPD in Macedonia will be sustainable, independent from external influences, and a good example in the region.

2. Planned Activities

The project will establish procedures, initiate meetings, track the progress of issues, help participants to achieve resolution, and expand the use of e-applications for communications.

It will provide training and mentoring on various advocacy approaches for associations and CoCs on diverse approaches, such as research, policy papers, conferences, public debates, and other venues.

All of these activities will be performed by providing mentoring and capacity-building for private sector, government, and civil society partners to ensure sustainability.

ACTIVITY 1: SUPPORT TO THE NECC

If the NECC is reestablished, the support will include a series of activities aimed at successful and sustainable reactivation of the NECC.

1.1 Refine NECC's mandate to avoid overlaps with CoC.

IDEAS will review the current mandate of the NECC and propose clarifications in line with the expected results from its activities. We also will organize a series of round tables with the CoC to address issues and clarify the roles and responsibilities of NECC versus those of the CoC. Also, the IDEAS Project will organize a series of round tables with all relevant stakeholders to define the mandate that best suits the needs and expectations and, thereby, ensures the needed consensus. As a significant input, we will analyze best practices of mandates of similar PPD forums from other countries and share the experiences with all relevant stakeholders as the best way to optimize our joint efforts.

1.2 Develop an organizational structure of the NECC.

IDEAS will review the organizational structure of the NECC and propose improvements as a result of the analysis. We also will organize a series of round tables with all relevant stakeholders to define an organizational structure that best suits the needs and expectations and, thereby, ensures the needed

consensus. In addition, IDEAS will analyze best practices of organizational models for similar PPD forums from other countries and share the experiences with all relevant stakeholders as the best way to optimize our joint efforts and provide visible results in a reasonable period.

1.3 Improve the membership structure by including SMEs and micro enterprises.

IDEAS will review the membership structure of the NECC and propose improvements as result of the analysis. We also will organize a series of round tables with all relevant stakeholders to define an organizational structure that best suits the needs and expectations and, thereby, ensures the needed consensus.

1.4 Develop a branding and communication campaign strategy to re-launch the NECC.

IDEAS will organize a consultative session with all relevant stakeholders to define the most efficient approach and to analyze best practices of branding and communications campaigns for similar PPD forums in Macedonia as well as other countries and share the experiences with all relevant stakeholders, as a tool to develop a strategy document that meets their needs and expectations.

1.5 Develop and adopt NECC's new internal acts and procedures.

Our team will review the previously defined internal acts and procedures and propose amendments, if necessary, to adjust them to meet the new circumstances for re-launch of the NECC.

1.6 Support the organization of the NECC assembly in June 2011 and develop a clear and implementable agenda for NECC.

As soon as the NECC platform has been accepted by all stakeholders, we will initiate the signing of a Memorandum of Understanding (MoU) with all stakeholders to gain their commitment and support throughout the process. IDEAS will analyze the documents and internal acts generated by previous NECC activities and propose adjustments toward meeting an agenda that is clear and implementable. IDEAS will organize a consultative session with all relevant stakeholders to define the most efficient approach and gain their coordination in the process of organizing the assembly.

The preparation process for the assembly includes a variety of activities, as mentioned previously, and we estimate June 2011 to be a realistic deadline for completing all preparations.

ACTIVITY 2: SUPPORT TO THE ECONOMIC-SOCIAL COUNCIL (ESC)

2.1 Conduct an assessment of current ESC organization and performance plan.

The IDEAS Project will interview ESC members to assess their needs and understand their challenges. These findings will help define the most suitable forms of support and the priorities to be addressed in the initial phase of this activity.

2.2 Preparing, developing, and rolling out action plans for the National ESC Strategy.

IDEAS will analyze the contents of the strategy and hold a series of consultative sessions with stakeholders to ensure they are involved in preparing, developing, and rolling out action plans. As a final result of this activity, the ESC action plans will be completed, reviewed, and approved.

2.3 Establish and support an ESC's coordinative body.

In connection with Activity 2.1, we expect the consultations with ESC members to show that establishing a coordinating body to implement the strategy will significantly improve the ESC's efficiency. In accordance with ESC members' input, we will issue a proposal on the composition, mandate, and tasks of the coordinative body as well as its continuous operational support. We also will monitor achievements of the coordinating body and regularly review the results.

We will have the Year I project activities completed with an approved set of action plans for the upcoming period.

ACTIVITY 3: SUPPORT TO THE IMPLEMENTATION OF RIA

One of the main challenges to successful implementation and presence of the RIA is to insist and stay focused on its wider support and acceptance on different levels.

3.1 Training/Capacity building.

Because education and training are essential for this purpose, we will organize joint training programs with the public and private sectors as well as with civil society on the RIA mechanism and the benefits of the ENER system. In year 1, we will focus our trainings on the private and civil sector, and continue with the public administration as soon as there is a stable and professional structure committed to the issue.

3.2 Knowledge transfer.

We will analyze experiences in this field in other comparable economies and share this information during the trainings for the civil society and the private sector, which will enable them not only to define a set of instruments through training, but also to learn from other experiences and transfer their knowledge to Macedonia, with the support of USAID.

3.3 Follow the developments of implementation of RIA towards a widely implemented and regulated status.

We will focus on following the developments and implementation of RIA, organize sessions of experience-sharing with those involved, and issue our statements.

Over the longer term, it is significant that this initiative be regulated by adequate regulations, and this period should be used to analyze the current condition and to build a solid ground for a comprehensive legal regulation to follow. We will include experiences from other countries in that field and provide a comparative analysis as an important assistance instrument when defining our priorities and specific tasks.

3.4 Provide assistance in possible changes to the existing RIA procedures.

Based on the condition determined from the previous Activity 3.3, we will review and provide assistance in making possible changes to the existing RIA procedures to expand the use of RIA to all stakeholders.

3.5 Explore the possible upgrade of the ENER system.

Our activities also will include efforts to explore possibilities for upgrading the electronic system and thus provide higher quality for the users. In that effort, we will coordinate closely with the stakeholders. We will use the RIA and ENER as tools for the PPD for issues related to other IDEAS components. PPD is strongly connected to export promotion and IP and significant data can be retrieved using these instruments. This will make a visible contribution to the success of the two components and provide cross-cutting support among the initiatives themselves.

ACTIVITY 4: SUPPORTING THE CHAMBERS OF COMMERCE/BUSINESS ASSOCIATIONS FOR THE CREATION OF RELEVANT POLICY PAPERS

If the business community is to become an active partner of the GoM in formulating economic policies, and have the majority of the business community recommendations be implemented by the GoM, it is necessary to support the CoCs and business associations.

We will mentor COC and NECC staff in preparing policy papers as described below.

4.1 Identifying challenges and priorities.

As a cross-cutting component of IDEAS, we will set establish the priorities as to the ability of CoCs to create policy papers that focus on export and investment. These papers can be presented at the monthly NECC meetings by the CoC that developed them. After undergoing a second round of review by NECC, they will be transmitted to the IMEG for approval.

4.2 Support in presenting and discussing issues with the GOM.

We will prepare a comparative analysis of foreign experiences to assist the CoCs in learning from success stories from other countries on how to advocate with the GoM and build the necessary instruments. We then will assist the CoCs in presenting issues to the GoM and in making them relevant.

These processes will be realized by developing twinning partnerships with local experts to promote local expertise and thereby strengthen the capacities, with the goal of preparing the CoCs for their important role as a partner in PPD.

ACTIVITY 5: MEDIA SUPPORT

5.1 Jointly sponsored events with adequate supplemental sections in the publications.

We will sponsor media-covered events and activities, engaging the NECC, ESC, RIA, ENER, CoCs, and other key stakeholders to strengthen public awareness and understanding of the importance of PPD to economic development of the country.

5.2 Training and Education.

IDEAS will cooperate with universities and the Macedonian Institute for Media (MIM) to organize workshops and sessions for media experts to educate them on the importance of PPD and how to cover economic topics in a professional way.

5.3 Research and Networking Activities.

We will support in-depth research studies of key business journalism topics and support regional networking for Macedonian media professionals to broaden their understanding, and connections.

These activities will capitalize on PPD activities conducted by the IDEAS Project and other initiatives, report accurately on the topic, and provide an unbiased perspective on issues raised by the private sector and the government.

3. Expected Results

The intent of the proposed activities is to build capacity and the necessary infrastructure for PPD in Macedonia.

The following are expected results for proposed Activities 1–5:

Activity 1: Support to the NECC.

- NECC's mandate is refined
- NECC assembly is organized in June; acts and procedures are adopted
- Process of election of the new NECC Membership is initiated
- Clear organizational structure and internal processes are defined
- Secretariat's every-day operations are clarified
- Proper media coverage and assistance is provided.

Activity 2: Support to the ESC.

- Process of preparing, developing, and rolling out action plans for the national strategy is completed and action plan is adopted by the end of the year
- Coordinative body within the national ESC is established
- All necessary acts, procedures, sessions, and other details necessary for the coordinative body to function are prepared and approved.

Activity 3: Support to the implementation of RIA.

- Progress report of the implementation of RIA is completed.

- Joint training programs with the public and private sectors on the RIA mechanism and the benefits of the ENER system are realized
- Trainings to a wider audience from the civil society and the private sector are held.

Activity 4: Supporting the Chambers of commerce/Business associations.

- Mentoring of COCs' and NECC's staff on preparing policy papers is completed
- Policy paper discussions with GoM is initiated
- Twinning partnership with local experts are initiated.

Activity 5: Media support.

- IDEAS Project goals and accomplishments are promoted
- Media professionals are educated on export and investment promotion matters.

Our collaboration with the media will result in articles on our activities, especially in the field of Export Promotion and IP, providing strong support to the IDEAS project's components and common goals.

Component B: Public Private Dialogue (PPD) Enhanced					
Establishing sustainable and equitable public private dialogue mechanisms					
	Initiative	Objective	Timeline	Partners	Additional Local/Foreign Experts
Support to the NECC					
1	(1.1–1.3; 1.5–1.6) Reactivating the NECC <ul style="list-style-type: none"> - Organization of the NECC Assembly - Development and adoption of new internal acts and procedures of the NECC - Election of new NECC Membership - Ongoing support to NECC's operations and performance 	Finalize NECC's mandate Finalize NECC's operational and organizational structure.	Apr 2011- Sep 2011	DPMEA MOE Chambers of Commerce	Total budget for this activity: \$3,000 Local experts: 12 days
2.	(1.4) Develop (re)branding strategy (e.g., survey feedback, logo, PR)	Branding strategy implemented.	Apr 2011–Sep 2011	DPMEA MOE Chambers of Commerce	Total budget for this activity: \$4,000 Local experts: 12 days
Support to the ESC					
3.	(2.1–2.3) Prepare, develop, and roll out action plans of the National ESC's Strategy. Establish coordinative body within the national ESC.	Prepare ESC's action plans.	Apr 2011–Sep 2011	ESC MLSP	Total budget for this activity: \$5,500 Local experts: 30 days
Continue to support RIA mechanisms and the ENER system					
4.	(3.1, 3.2)-Continue training programs with the public and private sector on RIA mechanism and benefits of ENER system. Extend training to civil society and private sector	Ensure RIA/ENER are widely used by the private sector and civil society.	Apr 2011–Sep 2011	DPMEA CoCs	Total budget for this activity: \$5,500 Local experts: 5 days Foreign experts: 5 days
5.	(3.3–3.5) Follow the developments of implementation of RIA and provide assistance in possible changes to the existing RIA procedures	Ensure RIA is regulated and clear procedures are in place	Apr 2011–Sep 2011	DPMEA CoCs	
Creation of PPD Policy Papers					
6.	(4.1–4.2) Mentor COCs' and NECC's staff on preparing policy papers (i.e. identifying problems and priorities, analyzing specific issues, preparing policy paper with justified explanations and reasonable recommendations, discussing issues with GOM). Develop twinning partnership with local experts to promote local expertise	COC and NECC can produce sound policy papers for GOM's review without USAID assistance.	Apr 2011–Sep 2011		Total budget for this activity: \$5,000 Local experts: 25 days

Media Support					
7.	(5.1–5.3) Dissemination of information regarding IDEAS and USAID's support in this area, promotion of PPD mechanisms, public education regarding PPD and the benefits it provides	Raise awareness and promote the PPD tools and mechanisms in the country and involve all stakeholders to provide an inclusive dialogue that will ensure quality decision making	Apr 2011–Sep 2011		Total budget for this activity: \$5,000 (co-shared) Other donors: \$TBD
					TOTAL - \$ 28,000.00

III. PUBLIC RELATIONS (PR) AND INFORMATION

I. Current Situation

The **Investment Development and Export Advancement Support (IDEAS)** project started in January 2011, 1 month after the Business Environment Activity (BEA) was successfully completed. The IDEAS Project will build on the progress made by the Business Environment Activity (BEA) because both efforts share a common strategic objective: “USAID support to improving the business environment in Macedonia.” Therefore, the Communications Strategy to be developed will be integrated and provide a framework for supporting technical activities with appropriate communications initiatives.

The strategy will communicate and initiate dialogue among the stakeholders working to improve the GoM’s capacity and coordination, which is related to increasing domestic investment and attracting more foreign investment to improve the business environment and to strengthen the ability of the private sector to create jobs and reduce the high level of unemployment in Macedonia.

Development of the IDEAS Communications Strategy will be driven by several factors. The majority of the project’s anticipated communications efforts will be in regular and contractual reporting requirements. Other elements that will shape the strategy include the following:

- A range of target project audiences and stakeholders, both primary and secondary
- Integrated activities, such as sponsored events, roundtables, public debates, workshops, and trainings, that have specific communication requirements
- Involvement of the two primary business media outlets (*Kapital* and *Business Daily*) whenever possible
- Meeting USAID requirements for regular updates on IDEAS’s activities and accomplishments
- Synergy among project components
- Impact on cross-cutting issues such as PPD, ethnic minorities, and gender.

IDEAS will use a two-way approach that combines internal and external communications strategies and close collaboration with the USAID Communication Office, as follows:

1. Internal Communications will include dissemination of technical materials (e.g., brochures, reports, surveys, policy papers, market analyses) that will be financed and/or co-financed by the IDEAS Project for the key stakeholders
2. External Communications will include developing and releasing outreach materials: (e.g., success stories, newsletters, news articles, press releases, and/or media advisories); exposure on public and private TV stations and relevant shows; and supplemental sections in business media outlets.

The above-listed outreach materials, which will be produced by the public relations (PR) Officer, are expected to be shared with targeted audiences, including the Regional Competitiveness Initiative (RCI), and published in its monthly newsletter, as well as with the USAID Mission and its quarterly newsletter.

To more effectively publicize project-related materials and reach public, IDEAS will start developing English-language and Macedonian-language websites for the IDEAS Project as one of the key priorities for PR. The website will serve as an “electronic library,” listing all outreach and technical materials.

Given the rapid increase in social media as a mode of communications worldwide, including in Macedonia, USAID Macedonia created a Facebook page. The PR Officer at IDEAS also will customize the project’s outreach materials to be more appropriate for Facebook and/or other forms of social media, and provide these materials to the Development Outreach and Communications Office (DOC) on a regular basis.

2. Planned Activities

The primary activities of the PR Officer in the first year of IDEAS Project will be as follows:

- Developing a comprehensive Communications Strategy for the project that is in line with USAID Macedonia Communications Strategy for 2011 and initiating its implementation
- Identifying, in coordination with Component Leaders and the Chief of Party, project activities that should receive priority for PR activities
- Identifying opportunities for cooperation with the two primary business media outlets (*Kapital* and *Business Daily*)
- Implementing Project Branding and Marking Plans and complying with USAID's ADS Chapter 320 Branding and Marking.

An overview of the proposed activities is presented below.

1. Developing comprehensive Project Communications Strategy (CS)

The outline of the project Communication Strategy will include the following:

- Goals
- Objectives
- Messages
- Target audiences (primary and secondary)
- Tools to achieve the goals through activities and products (e.g., project website; outreach releases; briefing materials/talking points; overview presentations; media interviews and informal gatherings with journalists)
- Coordination with the USAID Mission (primarily COTR and DOC)
- Impact of outreach efforts
- Defining indicators of success (e.g., number of success stories produced and number of media exposures).

The Communications Strategy is planned to be developed and put into implementation one month after USAID approval of the Work Plan.

2. In coordination with Component Leaders and CoP identify project activities to which the Project should give PR priorities

To maximize effectiveness, the activities planned for 2011 under each Component will be reviewed by the PR Officer, CoP and Component Leaders, to identify activities that will capture media attention and keep a spotlight on the positive news about the project's work.

The scope of PR will be planned for each activity separately; that is, the PR strategy for each activity will be designed depending on its character and relevance.

Basically, the PR approach in Year 1 should inform general and targeted media to increase awareness of the new USAID-funded project working on Investment Development and Export Advancement Support; present its goals and objectives; and promote the results achieved during the Year 1 of its operation.

Messages sent in Year 1 should include the following:

- A. General message (example): The project is facilitating job-creating foreign and domestic investment and exports.
- B. Specific message (example): The project is improving the GoM's capacity and coordination related to increasing domestic investment and attracting more foreign investment to improve

the business environment and strengthen the ability of the private sector to create jobs and reduce the high level of unemployment in Macedonia.

3. Identify opportunities for cooperation with the two primary business media outlets (*Kapital* and *Business Daily*).

As part of its communications strategy, the IDEAS Project will determine what the existing knowledge base is and identify the key knowledge gaps. Through meetings with partners, stakeholders, and the media, the project will learn what needs to be communicated to stakeholders if they are to take the actions needed to support project goals. Examples of anticipated activities that will involve the media are as follows:

- Publishing industrial policy–related articles in relevant businesses media
- Promoting public-private dialogue mechanisms
- Ensuring media coverage of export promotion activities
- Disseminating trade statistics
- Promoting online publications for investment promotion and export.

These activities, or other activities that may be identified in the future by Component Leaders and key stakeholders that could result in supplemental sections in publications, will be discussed with the two business outlets (*Kapital* and *Business Daily*).

4. Implement Project Branding and Marking Plans and comply with USAID's ADS Chapter 320 Branding and Marking

The IDEAS Project will follow the specific procedures stated in the Project's Branding and Marking Plans, that were developed and that comply with USAID's ADS Chapter 320 Branding and Marking. (See *proposal, attachment 2; for the IDEAS's Branding Implementation Plan and Marking Plan*)

3. Expected Results

Because this is Year I of the project, the project must build awareness of its existence, support the awareness and knowledge of USAID assistance to reinforce the relatively positive image of the U.S. Government in Macedonia, and ensure U.S. Government and Macedonian counterparts are kept up to date on progress and activities and that stakeholders are informed about IDEAS's supported activities.

The objective of the IDEAS Communications Strategy and outreach activities is to disseminate clear messages to the public about how the project is contributing to improving the GoM's capacity and coordination related to increasing domestic investment and attracting more foreign investment in an effort to improve the business environment; strengthen the ability of the private sector to create jobs, and reduce the high level of unemployment in Macedonia.

In this respect, expected results from implementation of the Communications Strategy in Year I of the project are as follows:

- Introduce and increase awareness of the IDEAS Project as a USAID-funded project among current and potential stakeholders, government institutions, the private sector, and the general public
- Enhance understanding of the IDEAS Project among the Macedonian business media by publicizing project-related articles and by providing an unbiased perspective on issues raised by the private sector and the government's response to those issues
- Strengthen teamwork on communications and outreach within the project and the USAID Mission
- Develop written materials and reports to introduce the IDEAS Project and to celebrate its Year I accomplishments.

IV. INTERNSHIP

The USAID Investment Development and Export Advancement Support (IDEAS) Project will provide an exclusive opportunity for undergraduate or recently graduated students to participate in the project's internship program. The Internship Program offers young people with an opportunity to strengthen their skills in various areas, to learn from project staff, and to get a feel for work in an international environment. This is a unique opportunity to work and communicate with other international, governmental, and private institutions/organizations and also with international and local experts engaged by the project.

The project plans to engage one or two interns on the project during Year 1, and there is a possibility that interns might be hired by the project to work in the IDEAS Project's counterpart institutions. The total cost is estimated to be approximately \$3,000 for the period ending September 2011.

Project staff also will benefit from the Internship Program because interns will help the office implement project activities.

On the Internship Program, interns will be involved in day-to day activities, attend meetings, participate in internal and external communications activities, and assist in preparing for events. Interns will work with other project team members to develop, produce, and disseminate project publications (e.g., print and online media), to develop presentations and lectures, to translate commercial legislation and regulations, and to organize and supervise design and printing of publications related to areas of interest (e.g., commercial) to the IDEAS program.

It is expected that the Internship Program will enable the interns to gain experience and develop contacts in both the public and private sectors, which ultimately will enhance their skills and make them more competitive in the labor market when they begin their search for employment.

V. PERFORMANCE MONITORING PLAN (PMP)

I.1. USAID's Macedonia Investment Development and Export Advancement Support

Performance Monitoring Plan

No.	Performance Indicator and Unit of Measurement	Indicator definition	Data Source/ Frequency	Baseline	FY 1 (2011)		FY 2 (2012)		FY 3 (2013)		FY 4-LoP (2014)	
					1 st Jan-30 Sep		1 st Oct-30 Sep		1 Oct-30 Sep		1 Oct-30 Sep	
					target	actual	target	actual	target	actual	target	actual
Intermediate Result 3.1 : Improved Business Environment in Critical Areas Sub IR 3.1.1 Strengthened Government Capacity to Implement Economic Policies & Programs Indicators under 1.1.; 2.1.; 2.2. and 5.1.												
IDEAS Project Result: Improved Foreign Direct Investment (FDI) and Domestic Investments (DI)												
I.1.	Number of new competitiveness policies, programs, action plans related to industrial policy being implemented	Being implemented means that decisions from the Competitiveness Committee of Ministers are inclusive of the private sector comments and are being implemented by the implementing agencies at the national and/or local level.	Internal Project reports/Annually	0	3		8		16		24	
IDEAS Project Result: Improved Export Facilitation and Investment Aftercare												

No.	Performance Indicator and Unit of Measurement	Indicator definition	Data Source/Frequency	Baseline	FY 1 (2011)		FY 2 (2012)		FY 3 (2013)		FY 4 (2014)	
					1 st Jan-30 Sep		1 st Oct-30 Sep		1 Oct-30 Sep		1 Oct-30 Sep	
					target	actual	target	actual	target	actual	target	actual
2.1.*	Volume of exports from targeted sectors facilitated by InvestMacedonia through USG assistance (in MKD)	The value of exports in a given year in targeted sectors, facilitated by the InvestMacedonia.	State Statistical Office/Annually	TBD	By 5%		By 15%		By 30%		-	
2.2.	Number of new policies/measures/sub-legislation that facilitate export are adopted	Policies/measures/sub- legislations are defined as any reform programs that affect the legislative and/or policy framework.	Project reports, Implementing partners/Annually	0	1		3		5		-	

IDEAS Project Result: Improved Public Procurement Legal Framework

3.1.	Number of new policies and/or regulations submitted to GOM for review and adoption, as a result of USG assistance	Number of new policies and/or regulations related to public procurement submitted to GoM for review and adoption, in cooperation with Public Procurement Bureau (PPB).	Implementing partners/Annually	0	1		2		3		0	
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Intermediate Result 3.1 : Improved Business Environment in Critical Areas
Sub IR 3.1.2 Public-Private Dialogue Improved
Indicators under: 4.1. and 4.2.

IDEAS Project Result: Enhanced Public Private Dialogue

No.	Performance Indicator and Unit of Measurement	Indicator definition	Data Source/ Frequency	Baseline	FY I (2011)		FY 2 (2012)		FY 3 (2013)		FY 4 (2014)	
					1 st Jan-30 Sep		1 st Oct-30 Sep		1 Oct-30 Sep		1 Oct-30 Sep	
					target	actual	target	actual	target	actual	target	actual
4.1. (PPR)	Percentage of issues resolved, as a result of dialogue efforts supported by USG assistance	The number of new issues resolved by the GoM, against the number of issues raised before the government by the private sector organizations, firms and individuals using acceptable advocacy approaches such as policy papers, public debates, and conferences etc.	Project reports, Implementing partners/Annually	0	50%		54%		59%		63%	
4.2. **	Number of new public- private dialogue mechanisms institutionalized by GoM, as a result of USG assistance	Dialogue mechanisms means entities and regulations used by private sector organizations (firms and individuals) to raise issues with the government that the GOM turns into permanent channels of private sector input into policy making.	Project reports, Implementing partners/Annually	0	0		1		2		3	

Intermediate Result 3.1 : Improved Business Environment in Critical Areas
Sub 3.1.1 Strengthened Government Capacity to Implement Economic Policies & Programs
Indicators under 1.1.; 2.1; 2.2 and 5.1.

IDEAS Project Result: Enhanced Government Capacity to implement new Policies

No.	Performance Indicator and Unit of Measurement	Indicator definition	Data Source/ Frequency	Baseline	FY I (2011)		FY 2 (2012)		FY 3 (2013)		FY 4 (2014)	
					1 st Jan-30 Sep		1 st Oct-30 Sep		1 Oct-30 Sep		1 Oct-30 Sep	
					target	actual	target	actual	target	actual	target	actual

6.1.	Number of people trained as a result of USG assistance (disaggregated by gender and areas)	Trained is defined as acquired skills to be able to independently support the implementation of the policies / disaggregated by gender and areas. Areas are: industrial policy; export promotion; public procurement; public private dialogue and lend reform	Project reports, Implementing partners/Annually	0	155		280		540		660	
6.2.** (PPR)	Number of institutions/organizations undertaking capacity/competency strengthening as result of USG assistance (disaggregated by area of institutional/organizational competency)	Number of institutions/organizations undertaking capacity/competency strengthening in one or more of the six areas of institutional/organizational competency: <u>governance</u> (e.g., board, mission/goal/constituency, leadership, legal status); <u>management practices</u> (e.g., organizational structure, information management, administration procedures, personnel, planning, program development, program reporting); <u>human resources</u> (e.g., human resources development, staff roles, work organization, diversity issues, supervisory practices, salary and benefits); <u>financial resources</u> (e.g., accounting, budgeting, financial/inventory controls, financial reporting); <u>service delivery</u> (e.g., sectoral expertise, constituency, impact assessment); <u>external relations</u> (e.g., constituency relations, collaboration, public relations, local resources, media).	Project reports, Implementing partners/Annually	0	5		10		0		13	

Notes:

2.1.*- The baseline for this indicator will be inserted when IDEAS identifies the targeted sectors.

(**)-Standard indicators under the USAID Foreign Assistance Framework Program Elements: Private Sector Productivity and Business Enabling Environment.

4.1. (PPR) Percentage of issues resolved, as a result of dialogue efforts supported by USG assistance, indicator will be used for USAID/Macedonia Performance Plan Reporting purposes and

6.2. (PPR) Number of institutions/organizations undertaking capacity/competency strengthening as result of USG assistance (disaggregated by areas), indicator will be used for USAID/Macedonia Performance Plan Reporting purposes.

1.2 BASELINE, SOURCE OF INFORMATION, RESPONSABILITIES, ANALYSES AND REPORTING

The key goal of IDEAS PMP is to track the results and impact of the activities that will be supported by the Project. The Work Plan for the First Fiscal Year includes all activities which are planned to be implemented by the end of the FY'11. Therefore the baseline information is zero for majority of the indicators, except for two.

The baseline for 1.2 “The total value of investment” indicator is still not available, i.e. not published by the State Statistical Office and the National Bank of Republic of Macedonia. These two institutions are sources for collecting the following data: 1). The State Statistical Office is responsible for data on Foreign Direct Investments and 2). The National Bank of Republic of Macedonia on Domestic Investments. The latest available official statistics for this indicator refers to 2009. Since the data is outdated, IDEAS is going to provide 2010 data, subsequently when the official data is going to be available.

The second indicator for which baseline needs to be determined is 2.1. “Volume of exports from targeted sectors facilitated by InvestMacedonia, through project interventions”. Since the sectors are still not selected, the Project team believes that the baseline needs to be determined after selection of the targeted sectors.

Ongoing results data will be collected via utilization of Project reports, activity deliverables, implementing partners, State Statistical Office and National Bank of Republic of Macedonia. The M&E Manager will be responsible for coordinating the data collection process and Component Leaders will be responsible for liaising with their counterparts and project activity partners to collect critical data.

The COP has overall responsibility and accountability to ensure that data is collected, analyzed and reported to USAID annually.

Once we have collected our first round of result data, we will be able to disaggregate and analyze the data. Few of the indicators will be disaggregated by gender and areas.

We will be collecting data on quarterly bases, but will report to USAID on annual basis only. Our PMP will enable our team to develop success stories around outputs and milestones, to help IDEAS, the Government of Macedonia and USAID tell its story. The indicator reporting schedule is listed below. Regardless of reporting indicators on annual bases as presented in Table 2, IDEAS will track performance of the results throughout the year, meaning quarterly, but official reporting to USAID will be on annual bases for all the indicators.

1.3 REPORTING SCHEDULE

The IDEAS COTR recommended that indicator under 6.2. “Number of institutions/organizations undertaking capacity/competency strengthening as result of Project assistance” to be included for USAID/Macedonia Operational Plan/Portfolio Review reporting purposes, and upon the request from USAID to identify another indicator for this type of reporting, IDEAS's team is recommending the following indicator (under 6.1. in Table 1.) “Number of staff and private sector stakeholders trained in improved industrial policy; export promotion; public procurement; public private dialogue and lend reform, through Project interventions” to be included as well.

Below is presented Indicator Table which will be used for reporting to USAID on annual bases.

Table 2 : IDEAS ANNUAL INDICATORS REPORTING	
1. Improved Foreign Direct Investment (FDI) and Domestic Investments	
	1.1. Number of new competitiveness policies, programs, action plans related to industrial policy initiated.
	1.2. Total value of investments in USD\$ (disaggregated FDI/DI)
2. Improved Export Facilitation and Investment Aftercare	
	2.1. Volume of exports from targeted sectors facilitated by InvestMacedonia, through project interventions (MKD)
	2.2. Number of new policies/measures/sub-legislation that facilitate export are adopted
3. Improved Public Procurement Legal Framework	
	3.1. Number of new developed policies and/or regulations related to public procurement, as a result of efforts by the Project
4. Enhanced Public Private Dialogue	
	4.1. Number of new issues raised by the private sector using acceptable advocacy approaches such as policy papers, public debates, conferences etc., as a result of efforts by the Project
	4.2. Number of new issues resolved as a result of dialogue efforts supported by the Project
	4.3. Number of new public private dialogue mechanisms institutionalized by GOM, through project interventions
5. Enhanced Government Capacity to implement new Policies	
	6.1. Number of staff and private sector stakeholders trained in improved urban planning and construction permitting laws and procedures and practices, Industrial Policy implementation, export promotion, public procurement and public-private dialogue, through Project interventions (disaggregated by: gender and areas (industrial policy; export promotion; public procurement; public private dialogue and land reform)
	6.2. Number of institutions/organizations undertaking capacity/competency strengthening as result of Project assistance (disaggregated by sector)

VI. BUDGET FOR IDEAS YEAR I- BREAKDOWN BY COMPONENT

COMPONENT A–FOREIGN DIRECT INVESTMENT (FDI) / DOMESTIC INVESTMENT (DI) / EXPORT FACILITATION AND INVESTMENT AFTERCARE IMPROVED	TOTAL COMPONENT A BUDGET: \$ 181,200
Theme 1–Implementation of the new GoM Industrial Policy for enhanced inter-ministerial coordination and streamlining of FDI, DI and aftercare	\$ 75,000.00
Theme 2–Development and Implementation of a comprehensive export promotion strategy and trade policies to support exports	\$ 80,000.00
Theme 3–Continued Professionalization of the Public Procurement system	\$ 42,200
COMPONENT B–PUBLIC PRIVATE DIALOGUE (PPD) ENHANCED	TOTAL COMPONENT B BUDGET: \$ 28,000
COMPONENT C–LEGAL FRAMEWORK ON PLANNING AND PERMITTING OF CONSTRUCTION LAND IS IMPROVED AND THE GOVERNMENT CAPACITY TO IMPLEMENT NEW LAWS IS ENHANCED	TOTAL COMPONENT C BUDGET: 15,000
INTERNSHIP	TOTAL BUDGET: \$3,698
IDEAS YEAR I BUDGET:	\$ 243,898
CUSHION/MONEY LEFT OVER FROM LAND COMPONENT	\$23,500

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